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ITC GLOBAL TRUST FUND

Report of the Consultative Committee
to the thirty-fourth session of the Joint Advisory Group

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Note

The following abbreviations are used:

BIS	Business information service(s)
CAPNET/BIS	Capacity-building and networking for business information services
CD-ROM	Compact disc – read-only memory
GATS	General Agreement on Trade in Services
GTF	Global Trust Fund
ITC	International Trade Centre UNCTAD/WTO
JAG	Joint Advisory Group on the International Trade Centre UNCTAD/WTO
LDC(s)	Least developed country(ies)
ProCIP	Programme for competitiveness improvement of SMEs
SME(s)	Small and medium-sized enterprise(s)
TSI(s)	Trade support institution(s)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WTO	World Trade Organization

1. A proposal to establish a Global Trust Fund (GTF) and a Consultative Committee was adopted at the twenty-eighth session of the Joint Advisory Group (JAG) in May-June 1995. The implementation of GTF-financed activities started in early 1996.

2. In its fifth year of operation, GTF continued to be an essential mechanism for broadening the outreach of ITC's technical cooperation activities. Successfully complementing the ITC regular budget, the Fund enabled ITC to provide certain services to partner countries and to field activities for a larger number of beneficiaries. In 2000, three Window II programmes started in mid-1999 reached cruising speed, and a fourth programme was initiated. The programmes assisted an increasing number of enterprises and trade support institutions (TSIs) worldwide, especially in addressing some of the critical needs arising from the multilateral trading system. For many countries that did not benefit from tailor-made country projects, GTF was the sole source of funding for ITC assistance.

3. The combined and mutually supporting resources and activities under Window I and II[1] allowed ITC to respond effectively to the collective requirements of partner countries. In particular, Window I enabled ITC to ensure the availability of its key senior expert staff and thereby to expand the range of complementary trade-related functions available from the organization. In November 2000, the Consultative Committee considered the report on a management review of the first four years of Window I (1996 - 1999). The review had been undertaken at the initiative of the ITC management. Para. 12 below provides additional information.

4. Finally, GTF continued to provide ITC with an effective institutional mechanism, administered under the guidance of its Consultative Committee, for improved communications with its stakeholders and for an exchange of views between donor and beneficiary countries on ITC operations.

THE CONSULTATIVE COMMITTEE

5. The Consultative Committee advises the ITC secretariat on, and ensures transparency in, the utilization of the Fund. Constituted in October 1995, it has had 20 meetings to date under the chairmanship of the ITC Executive Director.

6. The Committee currently has 17 members: Canada, Cuba, Denmark, Finland, France, Germany, India, the Islamic Republic of Iran, Madagascar, Nepal, Nigeria, Norway, the Russian Federation, Sweden, Switzerland, the United Kingdom and Venezuela. In addition, the following countries have been granted observer status at their request: Algeria, Argentina, Belgium, Brazil, Bulgaria, Cameroon, Chile, China, Egypt, Ethiopia, Italy, Japan, Latvia, Malta, the Netherlands, Pakistan, Peru, Romania, Slovenia, Tunisia and Turkey.

7. In accordance with the Committee's working procedures, members are nominated for a one-year period between annual JAG sessions. The Committee recommends, as in previous years, that each regional grouping should decide whether its representation should be extended for another year or whether one or all of its representatives should be replaced by new members, taking due account of the need to ensure continuity in the Committee's work. Likewise, any country interested in proposing itself to represent its region should request observer status in order to become acquainted with the Committee's procedures before formally taking over from the outgoing member.

8. Since the 2000 session of JAG, the Committee has met twice to review the ITC secretariat's proposals for earmarking funds under Window I and to examine the substantive aspects of the four programmes financed by Window II, all of which were operational in 2000, namely:

- Programme 1: Business development and the WTO Agreements (World Tr@de Net),
- Programme 2: Capacity-building and networking for business information services (CAPNET/BIS),
- Programme 3: Programme for competitiveness improvement of SMEs (ProCIP), and
- Programme 4: South-South trade promotion.

1 The overall financial situation is shown in annexes I and II to this report.

9. Window I continued to serve as a powerful instrument for strengthening ITC core competencies in trade development and for providing the organization with an element of flexibility to enable it to respond more quickly to the demands of its clients. Contributions from Window I are used primarily to finance complementary technical expertise and programme development activities in the priority areas agreed by JAG for which insufficient resources are available from the regular budget and other sources. They also finance country-specific activities, for instance the formulation of tailor-made projects, and activities in support of ITC's work, such as missions, meetings of experts and independent evaluations.

10. The contributions are allocated periodically by the ITC secretariat on the basis of the most pressing needs, taking into account the parameters set by the Consultative Committee, *inter alia*, for the apportionment of resources among the six subwindows. According to the usual practice, the available resources in a given year are allocated up to May of the following year, i.e. when new pledges are announced or confirmed at the annual JAG sessions. This ensures the continuity of the technical expertise financed from GTF and makes it possible to fund activities that have to be initiated before new contributions are made available.

11. Total funds available in 2000 amounted to US$ 2.9 million[2]. The following provides an overview of the utilization of these funds within the various subwindows:

- **Core staff.** This subwindow provided partial funding for 11 senior expert staff, not covered by the regular budget and dependent on extra-budgetary resources, in the specialized areas where ITC needs to maintain professional expertise so that it can adequately fulfil its mandate. These staff were also financed from the support cost budget, as well as through details to projects and the use of vacant posts under the regular budget whenever possible. GTF covered a total of 73.5 work months. This strengthened the ITC capacity for developing technical cooperation tools while consolidating its product-network approach, for improving understanding of the multilateral trading system and enhancing the related negotiating capacity of developing countries and economies in transition, and for providing advisory and information services in response to the collective needs of partner countries. (US$ 926,000)

- **Missions by ITC staff.** These missions were related to the regular programme of work. They were made for various purposes, including participation in specialized meetings and liaison with existing or potential partner organizations, which could not be financed from the regular budget. (US$ 11,000)

- **Programme development activities.** This subwindow provided complementary resources for strengthening the ITC research and development activities and its core programme of work, such as the refinement of existing tools for market analysis and information management and the development of new ones, the development and maintenance of business databases and Internet services, the production of technical materials and publications, and the assessment of collective needs of beneficiaries. Special emphasis was given to the preparation of the ITC contribution to the Third United Nations Conference on Least Developed Countries (LDCs), to be held in Brussels from 14 to 20 May 2001. ITC will organize a business sector round table which will bring together representatives of the private and public sectors to seek a joint strategic response to the problem of how to convert LDC export opportunities into actual business. It is anticipated that the ITC inputs will help build the foundation for bringing trade strategies into the mainstream of national development plans and help mobilize resources for sustained export development support in a number of LDCs. (US$ 778,000)

- **Formulation of tailor-made programmes and other country- or region-specific activities.** Where financing was otherwise not available, funds allocated within this subwindow enabled ITC to react quickly to requests for needs assessments, project design and advisory services tailored to the requirements of specific countries, particularly LDCs, to maintain and strengthen the dialogue with beneficiaries, and participate in inter-agency meetings at country level. (US$ 407,000)

2 Details as follows, in US$:

2000 pledges	2,540,350
Accrued interests	136,372
Savings on completed activities	242,370
Total funds available	**2,919,092**

- **Meetings of experts.** This subwindow made it possible to organize a brainstorming session on export packaging for ITC partner institutions from developing countries and economies in transition. The experts strongly supported an innovative concept, the 'Integrated Export Packaging Information Kit For Developing Countries – PACKit', which will equip ITC with a comprehensive set of information modules that can be customized for individual packaging institutions. The meeting has also led to an exchange of ideas amongst the participants which will result in further networking among the partner institutions. (US$ 50,000)

- **Evaluations.** This subwindow covers two ex post evaluations, one country evaluation and the management review of Window I. Remaining funds will be used for the evaluation of the ITC programme on international purchasing and supply management. The report on the evaluation will be presented to a technical meeting in the autumn of 2001 and to the JAG session in 2002. A management review of a regional project on human resource development will also be carried out. (US$ 68,000)

12. In 2000, ITC asked an independent consultant to undertake a thorough **review of managerial and operational practices under Window I and of the use of its resources** with a view to further enhancing the effectiveness of the Fund. The conclusions of the review and its recommendations were shared with the Consultative Committee for its consideration and were discussed during the Committee's meeting of 30 November 2000. The recommendations will guide the future management of Window I; special attention will be given to seeking a balance in the funding of core staff from Window I and other sources, so as to ensure that senior advisers do not become overly dependent on Window I. This, however, should not deprive ITC of the capacity for responding effectively to the collective needs of partner countries. Even if core staff costs are currently assigned to a separate subwindow, it must be stressed that senior advisers carry out activities in the nature of those reported under the other subwindows, such as programme development or country-specific activities.

13. As in previous years, **future requirements** under Window I will continue to depend on a number of factors not entirely predictable, such as the availability of other financing sources for core staff and demand from partner countries for needs assessment, programming and short advisory missions. Resources for the other subwindows should remain at the current level to enable ITC to continue strengthening its capabilities in all core services. Considering the above, the anticipated accrued interests and the practical experience gained so far in managing these funds, the secretariat counts on receiving in 2001 at least the same level of pledges as in 2000, i.e. *US$ 2.5 million*.

WINDOW II

Progress reports on Window II programmes

14. The paragraphs below describe the activities undertaken under Window II programmes during 2000.

World Tr@de Net – Business development and the WTO Agreements

15. The World Tr@de Net programme (website: *http://www.intracen.org/worldtradenet*) aims to provide information, training and advice to the business community on WTO-related issues. The programme also seeks to strengthen the integration of the views of the business sector into national trade negotiation strategies. It has two main objectives: the development of new national networks and the exchange of experiences among network members. Training and reference materials are developed in response to the existing and evolving needs of network members.

16. Kick-off meetings for new national networks were held in Cambodia, Costa Rica, El Salvador, Guatemala, Honduras, Latvia, Lithuania, Nicaragua and Viet Nam. These brought to 24 the number of countries in which networking activities have been launched. The networks are at different stages of development; 20 have agreed initial action plans.

17. Kick-off meetings, in combination with other ITC programmes, are in preparation in another 17 developing countries and economies in transition. Among the countries that have expressed serious interest in joining the World Tr@de Net programme are Albania, Armenia, Bolivia, Bosnia and Herzegovina, Bulgaria, Croatia, Cuba, the Dominican Republic, Jordan, Kazakhstan, Kyrgyzstan, Mauritius, Panama,

Romania, the Republic of Moldova, the Russian Federation and Ukraine. A number of other countries are studying possible participation in the programme.

18. In 2000, to encourage the exchange of experience among network members, training and other regional events on topics of common interest were organized for participants from different networks. Two case-writing workshops were organized. The first was held in May in Malaysia for 24 experts from Bangladesh, Malaysia, Mongolia, Nepal, Pakistan, the Philippines, Sri Lanka and Thailand. The second, in Lesotho in October, was attended by 40 business representatives and government officials from Lesotho, Malawi, Mozambique, Swaziland and Zambia. As a result, more than 10 WTO-related business cases are under development by network members with the guidance of experts. These experts have developed other business cases which are available on the programme's web page.

19. As a follow-up to workshops held in 1997 on 'GATS and the Export of Services', three video-conferences were organized in Bangkok, Colombo and Kampala. From the Geneva studio, experts from WTO and ITC introduced the subject, answered participants' questions and provided information on the mandated WTO negotiations on services. The participants included experts from Bangladesh, Kenya, Malaysia, Nepal, Pakistan, the Philippines, Sri Lanka, the United Republic of Tanzania, Thailand and Uganda. They were given time for discussions and the exchange of information on national practices. Each video-conference was preceded by a workshop on the export of services. In October, a seminar held in Lesotho on the WTO Agreement on Agriculture was attended by more than 40 participants from Africa. Also in October, meetings were organized with network members in Bangladesh and Nepal to discuss reactions to ITC materials and update programmes on networking activities.

20. Networking activities have been enhanced by new publications, training materials and other documents. Since March 2000, the programme has issued a monthly 'World Tr@de Net Newsletter', disseminated by e-mail to members and published on the World Tr@de Net website. ITC prepared and disseminated research papers on the business-sector perspective on export development to 15 member countries. Each

BUDGETARY SITUATION
World Tr@de Net – Business development and the WTO Agreements
As at 31 December 2000
(US$)

		Expenditures June 1999 - Dec. 2000	Planned expenditures Jan. 2001 - May 2001	Total June 1999 - May 2001	Planning estimates June 2001 - May 2002	TOTAL BUDGET
	Project personnel	671,354	677,186	1,348,540	563,870	1,912,410
	Subcontracts	41,923	79,100	121,023	90,400	211,423
	Group training	95,101	90,400	185,501	168,370	353,871
	Equipment	8,927	-	8,927	13,560	22,487
	Miscellaneous	52,825	53,198	106,023	48,786	154,809
(A)	Total	870,130	899,884	1,770,014	884,986	2,655,000
				2000	2001	2000-2001
(B)	Pledged			1,770,014	332,367	2,102,381
(C)	Cash received			1,770,014	-	1,770,014
(C-B)	Surplus/(Shortfall): Cash against pledges			-	(332,367)	(332,367)
(B-A)	Surplus/(Shortfall): Pledges against budget			-	(552,619)	(552,619)

Note: See also annexes I and II for funding sources.

paper analyses market access conditions for a major export product of the country concerned. The papers covering Bangladesh, Lesotho, Mongolia, Nepal, Pakistan and Swaziland focus on textiles and clothing, while those prepared for Malaysia, the Philippines and Thailand address trade in integrated circuits. Documents drafted for Malawi, Mozambique, Sri Lanka and Zambia analyse these countries' trade in agricultural products.

21. Two studies have been prepared and disseminated on national best practices in private-public sector relationships and private-sector participation in international trade negotiations. A question-and-answer book on the multilateral trading system focusing on 91 questions from business persons in member countries has been finalized. Likewise, a reference book entitled *International Marketing and the Trading System* was issued for printing and translation into French and Spanish has been initiated.

22. Background materials and legal cases for training on the Agreement on Trade-Related Aspects of Intellectual Property Rights and intellectual property issues in business negotiations were presented and tested in a seminar in Qatar. In response to requests received from network members, practical handbooks are under preparation on trade remedies in the European Union, Canada and the United States. These guides will describe the respective legislation and practices from a business perspective.

23. The *Business Guide to the World Trading System*, issued by ITC and the Commonwealth Secretariat in late 1999, has been translated into French, Spanish and Arabic. Translations into Chinese, Croatian, Estonian, Greek, Latvian, Portuguese, Romanian, Russian and Turkish are being finalized by partner institutions. The guide updates an earlier edition to reflect ensuing developments in WTO.

24. The World Tr@de Net website was launched in May in support of networking activities. It contains general information on the programme, its objectives and activities; a bibliography of training and reference materials; information on networks, their structure, members and action plans. It carries all issues of the programme newsletter, as well as information and background materials on forthcoming events such as workshops and conferences. The site is updated regularly.

25. Among the training materials listed on the site are training packs (in English, French and Spanish) on the Agreement on Textiles and Clothing, the Agreement on Technical Barriers to Trade, and the Agreement on the Application of Sanitary and Phytosanitary Measures. A training pack on the Agreement on Agriculture is available in English, as is a training pack on 'Managing Professional Service Firms for Global Competitiveness' to help services exporters to take advantage of opportunities evolving from GATS.

Capacity-building and networking for business information services (CAPNET/BIS)

26. The programme has evolved in line with its three objectives:

- To build up the capacity of business information services (BIS) within the Global Trade Point Network (GTPNet) administered by UNCTAD's partner organizations;
- To improve the availability of information on market access conditions, including information on trade agreements, control measures, technical barriers and trade legislation affecting the movement of goods and services, in cooperation with WTO and other organizations specializing in various aspects of trade liberalization; and
- To develop the exchange of information and know-how between partner organizations (intranet) and new approaches to information dissemination and trade promotion at the international level (extranet), on the basis of multimedia systems.

27. This programme was launched in the last quarter of 2000 with the design of a research and development programme taking into account the collective needs of Trade Points and the recommendations of the evaluator of the earlier programme (TIMIS/BIS). The World Trade Point Meeting, organized by UNCTAD in November 2000 for 160 participants, provided an opportunity for assessing the new orientations of the Trade Efficiency Programme and the newly created Trade Points Federation, and for defining a programme of assistance for 2000/01 emphasizing human resource development activities, notably for LDCs and transition economies and in support of regional networks.

28. Research was initiated with a view to designing a methodology for the performance measurement and periodic evaluation of BIS on the basis of BIS benchmarking techniques and the experience already gained in this domain by advanced trade support institutions. A guide to effective methods of disseminating information and marketing trade information services is under preparation; the guide will focus on the use of appropriate media such as websites, e-mail and CD-ROM. A manual was produced on possible applications of the WINISIS and WEBISIS software to the management and exchange of referral databases.

BUDGETARY SITUATION
Capacity-building and networking for business information services (CAPNET/BIS)
As at 31 December 2000
(US$)

		Expenditures June 1999 - Dec. 2000	Planned expenditures Jan. 2001 - May 2001	Total June 1999 - May 2001	Planning estimates June 2001 - May 2003	TOTAL BUDGET
	Project personnel	98,176	291,956	390,132	2,009,870	2,400,002
	Subcontracts	-	11,300	11,300	108,700	120,000
	Group training	15,391	95,349	110,740	189,260	300,000
	Equipment	1,471	12,541	14,012	15,988	30,000
	Miscellaneous	5,155	30,667	35,822	114,176	149,998
(A)	Total	120,193	441,813	562,006	2,437,994	3,000,000
				2000	2001	2000-2001
(B)	Pledged			562,006	112,817	674,823
(C)	Cash received			562,006	112,817	674,823
(C-B)	Surplus/(Shortfall): Cash against pledges			-	-	-
(B-A)	Surplus/(Shortfall): Pledges against budget			-	(2,325,177)	(2,325,177)

Note: See also annexes I and II for funding sources.

29. Two training seminars on trade information services and management methods were organized at ITC jointly with UNCTAD. The first was held in October for seven francophone countries and the second in December for 10 anglophone countries. A workshop, carried out in Trinidad and Tobago for Caribbean countries in November 2000, was the first of a series aimed at supporting cooperation between BIS at the subregional level.

30. Advisory missions were organized in close coordination with UNCTAD in Colombia, Mozambique and Venezuela to assist Trade Points in developing business information services.

31. Activities to improve information on market access conditions included the launching of a survey of information sources (i.e. publications, CD-ROMs, the Internet) on technical barriers to trade in cooperation with specialists in trade support institutions and research centres. A database on survey findings will be made accessible through the Internet. A portable CD-ROM version using the WINISIS software is also planned to facilitate offline use and maintenance of the database by BIS. Preliminary work was undertaken on the production of two training manuals on trade legislation and technical standards.

32. ITC cooperated with UNCTAD in the development of the GTPNet website. An Internet discussion forum is being designed and tested; the aim is to encourage the exchange of information and know-how between partner organizations.

33. Consultations were held with several regional trade information networks and regional Trade Point forums (jointly with UNCTAD) with a view to designing common approaches and to providing assistance in the development of regional networks.

34. A pilot promotional programme (PROMOTE IT) was launched to support the export promotion of IT products and services and a prototype web portal was designed. The CAPNET/BIS programme commenced operations in 2000 with a budget of US$ 674,823, against a planned budget of US$ 3 million. When anticipated additional resources become available in 2001, they could be allocated to direct assistance to the Trade

Point Federation and regional forums, and to providing direct support to business information services in low-income countries that do not benefit from country projects. New research and training programmes could also be initiated on knowledge management and electronic commerce as ITC receives a large demand for assistance in the optimal use of the new technologies to improve trade information and promotion services.

Programme for competitiveness improvement of SMEs (ProCIP)

35. To strengthen the capacity of small and medium-sized enterprises (SMEs) in developing and transition economies to compete more effectively in the global market, ProCIP has two objectives: to enhance the capacity of national trade support institutions and associations to help SMEs to strengthen their competitive edge; and to promote the formation of regional, interregional and international networks to reinforce the building of institutional capacity and technical know-how.

36. The programme's unique product-network approach continued to provide the operational basis for realizing these objectives. The term 'products' in the ProCIP context refers to tools and publications on competitiveness targeted directly at SMEs; it encompasses new and previously developed 'products' as well as those customized at the national and sectoral levels. 'Network' refers to the international network of trade support institutions working with ITC to develop, adapt, disseminate and implement 'products' at the national level and to make the related support services available to SMEs.

37. Using this approach, the programme assessed and took concrete measures to improve the ability of partner enterprises to compete globally, diagnosed the readiness of SMEs to engage in export, and answered the questions SMEs frequently ask on the export trade, electronic commerce, how to approach financial institutions, and how to conduct negotiations with banks. The programme also provided partner TSIs with a tool for improving their delivery of services to SMEs by identifying their strengths and weaknesses and comparing these with the characteristics of 'best performers'.

38. The new products finalized in 2000 are as follows:

- *The Competitive Edge.* Responding to wide demand expressed during the application of the sector-specific pilot benchmarking tool (the *Gauge*), this new benchmarking tool is applicable across sectors. It is intended to help SMEs in assessing their strengths and weaknesses, in positioning themselves in the international market place, and in improving their competitiveness. The tool is now being used in seven countries.

- *1,000 Export References.* Customization at the national level of the *Trade Secrets* publication revealed that it was difficult to identify appropriate reference materials on the various aspects of exporting. This ready list of 1,000 references is an attempt to remedy the problem.

- *Secrets of Electronic Commerce: A Guide for Small and Medium-Sized Exporters.* Based on the methodology for *Trade Secrets: The Export Answer Book*, this publication answers questions frequently asked by SMEs on e-commerce. A total of 30 countries have already signed reproduction agreements to publish nationally adapted versions of the book.

- *TSI Assessment Index.* This enables TSIs to diagnose their strengths and weaknesses and to compare themselves with 'best performers'. TSIs in 19 countries have used the tool. A notable example of the utility of the Index is provided by Uganda, where the trade support institution used the assessment in effectively arguing its case for being retained and strengthened as a separate agency. French and Spanish versions of the *Index* have been prepared to increase its outreach. The dissemination and adaptation of existing products continued in 2000.

39. The *International Competitiveness Gauge* and the *Export Fitness Checker* were used in seven additional countries each. *Trade Secrets: The Export Answer Book* was adapted in 22 new countries, and *How To Approach Banks* in five additional countries. Demand from partner TSIs resulted in the production of a practical reference manual on the *Gauge*; it is being translated into French and Spanish. Publications answering questions frequently asked by SMEs in the automobile components sector and on quality management, and an SME tool for diagnosing their fitness to conduct e-commerce are in various stages of production. These products will be finalized in 2001.

40. Recognizing the value of national, regional and international partnerships in ensuring the sustainability of ProCIP products and services to SMEs, and the need to develop tools and publications with national ownership as well as a global outreach, ProCIP continued to reinforce its network. All in all, the network grew by 97 new partnerships in 30 additional countries. A total of 77 trainers in partner TSIs benefited from workshops and training events on the use of ProCIP products. To date, ProCIP has 227 partner TSIs

BUDGETARY SITUATION
Programme for competitiveness improvement of SMEs (ProCIP)
As at 31 December 2000
(US$)

	Expenditures June 1999 - Dec. 2000	Planned expenditures Jan. 2001 - May 2001	Total June 1999 - May 2001	Planning estimates June 2001 - May 2002	TOTAL BUDGET
Project personnel	567,394	303,951	871,345	1,356,000	2,227,345
Subcontracts	64,442	19,420	83,862	149,160	233,022
Group training	75,338	13,560	88,898	155,940	244,838
Equipment	1,814	1,871	3,685	-	3,685
Miscellaneous	30,703	21,292	51,995	89,115	141,110
(A) Total	739,691	360,094	1,099,785	1,750,215	2,850,000 a/
			1999-2000	2001	2000-2001
(B) Pledged			1,099,785	-	1,099,785
(C) Cash received			1,099,785	-	1,099,785
(C-B) Surplus/(Shortfall): Cash against pledges			-	-	-
(B-A) Surplus/(Shortfall): Pledges against budget			-	(1,750,215)	(1,750,215)

Note: See also annexes I and II for funding sources.

a/ Reduced from the initial budget of $3,150,000, as a result of a reduction in the first year's budget on the basis of the anticipated level of pledges in 1999.

in 100 countries, including 20 LDCs. This ready and widening international network of partners is a source of information and feedback; it is also a means for exchanges of views between ITC and its partners, and among these partners. Such exchanges have led to new products such as *Competitive Edge* and *1,000 Export References*. In many instances a network specific to one product has been a resource for developing other products; examples are the use of the *Trade Secrets* network for pilot testing *Competitive Edge*, and use of the *Gauge* network for the surveys conducted to produce *Secrets of Electronic Commerce*. A highlight was experimentation in, and the use of, new information technology in project implementation. E-surveys, e-discussions and a video-conference were used to test the international applicability of *Competitive Edge* across sectors, to identify best practice in e-commerce, and in training activities. Such an approach has resulted in cost-efficiencies, wider feedback from developing and transition countries, and an increase in the international outreach of ITC tools and services. An even greater use of the opportunities offered by these new means of communication is envisaged for 2001.

South-South trade promotion

41. The four objectives of this programme are: to put into place data sets providing quantitative and qualitative information on trading opportunities among developing countries in a regional and, selectively, interregional perspective; to introduce tailor-made methodologies and customized tools for South-South trade development; to generate new trade flows and trade-related business arrangements among SMEs in developing countries; and to institute specific strategies and programmes for the expansion of South-South trade, for eventual implementation with or without ITC assistance.

42. Programme components are concurrently active in five developing regions and subregions. These components include qualitative and quantitative analyses of trade and investment opportunities, training activities, preparatory and stakeholder consultations, Internet and information technology solutions, technical assistance, and organizing buyers-sellers meetings.

43. A successful buyers-sellers meeting on pharmaceuticals was organized during UNCTAD X in February 2000 at Bangkok. Apart from 60 enterprises drawn from 13 countries, representatives of trade support institutions and industry associations also participated. The first of its kind in the region, the meeting was seen as appropriate in both trade and social development spheres as it concerned the delivery of quality essential drugs in a region that holds over 65% of the global population. In an effort to induce the most appropriate follow-up action, ITC approached relevant international organizations on issues relating to the harmonization of product registration procedures and quality assurance raised by a number of participants during the buyers-sellers meeting. The Consultative Committee on Standard and Quality of Pharmaceuticals and Cosmetics of the Association of South-East Asian Nations (ASEAN) is addressing these issues.

44. A fair on services for Mediterranean and central and eastern European countries – CYSERV 2000, held in Nicosia, Cyprus in October – was the venue of the programme's first buyers-sellers meeting on services. The meeting saw the adaptation of the programme's tools (including a specially designed enterprise profile form) for an accurate capture of complementarities. Over 200 one-to-one meetings were arranged for participants from 42 enterprises based in 12 countries.

45. The programme carried out trade flow analyses to capture South-South trading and investment opportunities in ASEAN and Pacific island countries, and produced an exhaustive analysis of such opportunities for the ECO (Economic Cooperation Organization) group of countries. Interregional trade flows from 14 African and 6 Asian countries were analysed for the second Africa-Asia Business Forum (AABF II), scheduled for July 2001 in South Africa. All trade flow analyses contain data on the evolution of intra- and inter-regional trade in the region being studied, highlight priority products to be promoted (selected on the basis of export competitiveness and import demand), estimate export potential, and provide investment-related information wherever required.

46. The cybercafé model was introduced to test the efficacy of Internet-based applications for disseminating trade and investment information by sector and by region. The first cybercafé was held during the earlier mentioned buyers-sellers meeting on pharmaceuticals in Bangkok. 'Meet in Africa', a buyers-sellers meeting for the African leather industry which took place in Casablanca in October 2000, was the second venue for a cybercafé. Another e-application for South-South trade development, a training package on the South-South trade promotion methodology (CD-ROM version) is being finalized, for production in English, French and Spanish. A four-day workshop, 'Promoting intraregional trade: A strategic methodology for Central Asian Republics', was held in Geneva in August 2000 for seven participants from Azerbaijan, Kazakhstan, Kyrgyzstan and Uzbekistan and the secretariats of the Inter-State Council and ECO. The curriculum covered the range of ITC's generic South-South trade promotion tools, which are to be adapted for a programme in the region.

47. The programme has scaled up its support to AABF II, scheduled for July 2001, by supervising the website design for the event and the Asian participant audits, as well as by participating in meetings of experts and preparatory workshops in Africa and Asia.

48. Consultations on programme development for intraregional trade expansion were held with the secretariats of the Inter-State Council and ECO at their respective headquarters and in Geneva. A full-fledged project document for an integrated programme for ECO has been approved by its secretariat and submitted to UNDP for funding. A product-selection workshop for ECO will be held in March 2001 at Tehran. A proposal to support the Silk Road Area Development Project (SRADP) with interventions to encourage trade expansion at the enterprise level was formulated and submitted to UNDP for consideration. ITC has been invited to participate in the project workshop in Urumqi, China. Following the inaugural meeting (in Bangkok, in October) of the Greater Mekong Subregion Business Forum (GMS-BF), the Asian Development Bank (ADB) requested ITC to prepare a proposal for technical assistance to the Forum. The related terms of reference have been submitted to ADB for approval.

49. The programme as a whole continued to support South-South trade promotion in the Africa region. It provided substantive back-up to the Intra-African Trade Promotion Programme (IATP) and participated in two workshops on regional integration and public procurement, held in June-July 2000 in Ouagadougou and Arusha under the aegis of the Joint ITC/UNCTAD/WTO Integrated Technical Assistance Programme (JITAP). These were in line with the programme's collaborative approach to other ITC activities.

BUDGETARY SITUATION
South-South trade promotion
As at 31 December 2000
(US$)

		Expenditures June 1999 - Dec. 2000	Planned expenditures Jan. 2001 - May 2001	Total June 1999 - May 2001	Planning estimates June 2001 - May 2003	TOTAL BUDGET
	Project personnel	733,976	361,967	1,095,943	904,000	1,999,943
	Subcontracts	18,260	45,360	63,620	113,000	176,620
	Group training	25,598	46,722	72,320	233,255	305,575
	Equipment	22,085	12,079	34,164	50,850	85,014
	Miscellaneous	33,081	32,619	65,700	67,148	132,848
(A)	Total	833,000	498,747	1,331,747	1,368,253	2,700,000
				1999-2000	2001	1999-2002
(B)	Pledged			1,331,747	416,800	1,748,547
(C)	Cash received			1,284,285	-	1,284,285
(C-B)	Surplus/(Shortfall): Cash against pledges			(47,462)	(416,800)	-
(B-A)	Surplus/(Shortfall): Pledges against budget			-	(951,453)	(951,453)

Note: See also annexes I and II for funding sources.

Annex I
GLOBAL TRUST FUND
PLEDGES AND RESOURCES AVAILABLE
AS AT 31 DECEMBER 2000
(US$)

Donor	Pledges 1999-2002									Cash received against 1999-2001 pledges								Cash to be received		
	GRAND TOTAL	Window I			Window II					GRAND TOTAL	Window I			Window II				W I	W II	
		Total	1999	2000	Total	1999	2000	2001	2002		Total	1999	2000	Total	1999	2000	2001	2000	2000	2001-2002
CANADA	1,302,906	1,302,906	655,567	647,339	-	-	-			1,302,906	1,302,906	655,567	647,339	-	-	-	-	-	-	-
DENMARK	1,548,000	1,548,000	758,000	790,000	-	-	-			1,548,000	1,548,000	758,000	790,000	-	-	-	-	-	-	-
FINLAND	326,421	326,421	168,458	157,963	-	-	-			326,421	326,421	168,458	157,963	-	-	-	-	-	-	-
FRANCE	340,073	-	-	-	340,073	113,628	113,628	112,817		340,073	-	-	-	340,073	113,628	113,628	112,817	-	-	-
GERMANY	1,683,846	-	-	-	1,683,846	813,263	453,783	208,400	208,400	1,219,584	-	-	-	1,219,584	813,263	406,321	-	-	47,462	416,800
INDIA	100,000	-	-	-	100,000	50,000	50,000			100,000	-	-	-	100,000	50,000	50,000	-	-	-	-
ITALY	-	-	-	-	-	-				-	-	-	-	-	-	-	-	-	-	-
NORWAY	415,578	415,578	193,282	222,296	-	-				415,578	415,578	193,282	222,296	-	-	-	-	-	-	-
SWEDEN	1,453,395	907,836	485,084	422,752	545,559	242,548	303,011			1,453,395	907,836	485,084	422,752	545,559	242,548	303,011	-	-	-	-
SWITZERLAND	2,610,000	600,000	300,000	300,000	2,010,000	910,000	1,100,000			2,610,000	600,000	300,000	300,000	2,010,000	910,000	1,100,000	-	-	-	-
UNITED KINGDOM	800,000	-	-	-	800,000	87,888	379,745	332,367		467,633	-	-	-	467,633	87,888	379,745	-	-	-	332,367
ACCRUED INTERESTS	380,988	285,271	148,899	136,372	95,717	-	95,717			380,988	285,271	148,899	136,372	95,717	-	95,717	-	-	-	-
BALANCE BROUGHT FORWARD FROM FIRST PHASE OF W II PROGRAMMES	50,341	-	-	-	50,341	-	50,341			50,341	-	-	-	50,341	-	50,341	-	-	-	-
TOTAL	11,011,548	5,386,012	2,709,290	2,676,722	5,625,536	2,217,327	2,546,225	653,584	208,400	10,214,919	5,386,012	2,709,290	2,676,722	4,828,907	2,217,327	2,498,763	112,817	-	47,462	749,167

Annex II
GLOBAL TRUST FUND
WINDOW II
Pledges and allocations to individual programmes
As at 31 December 2000
(US$)

Programmes	Donors	Pledges					Cash received				Cash to be received	
		Total	1999	2000	2001	2002	Total	Against 1999 pledges	Against 2000 pledges	Against 2001 pledges	2000	2001- 2002
1. Business development and the WTO Agreements (World Tr@de Net) (INT/W2/05)	Germany	738,827	509,896	228,931	-		738,827	509,896	228,931	-	-	-
	Switzerland	530,000	280,000	250,000	-		530,000	280,000	250,000	-	-	-
	United Kingdom	800,000	87,888	379,745	332,367		467,633	87,888	379,745	-	-	332,367
	Accrued interest	33,554	-	33,554			33,554	-	33,554	-		
	Total	2,102,381	877,784	892,230	332,367	-	1,770,014	877,784	892,230	-	-	332,367
2. Capacity-building and networking for business information services (CAPNET/BIS) (INT/W2/06)	France	226,445	-	113,628	112,817	-	226,445	-	113,628	112,817	-	-
	Sweden	80,547	-	80,547	-	-	80,547	-	80,547	-	-	-
	Switzerland	350,000		350,000			350,000		350,000		-	-
	Accrued interest	17,831	-	17,831			17,831	-	17,831	-		
	Total	674,823	-	562,006	112,817	-	674,823	-	562,006	112,817	-	-
3. Programme for competitiveness improvement of SMEs (ProCIP) (INT/W2/07)	France	113,628	113,628				113,628	113,628			-	-
	India	100,000	50,000	50,000	-		100,000	50,000	50,000	-	-	-
	Sweden	228,912	104,538	124,374			228,912	104,538	124,374	-	-	-
	Switzerland	580,000	330,000	250,000	-		580,000	330,000	250,000	-	-	-
	Accrued interest	26,904	-	26,904			26,904	-	26,904	-	-	-
	Balance brought forward	50,341	-	50,341			50,341	-	50,341	-	-	-
	Total	1,099,785	598,166	501,619	-	-	1,099,785	598,166	501,619	-	-	-
4. South-South trade promotion (INT/W2/04)	Germany	945,019	303,367	224,852	208,400	208,400	480,757	303,367	177,390	-	47,462	416,800
	Switzerland	550,000	300,000	250,000	-		550,000	300,000	250,000	-	-	-
	Sweden	236,100	138,010	98,090			236,100	138,010	98,090	-	-	-
	Accrued interest	17,428	-	17,428			17,428	-	17,428			
	Total	1,748,547	741,377	590,370	208,400	208,400	1,284,285	741,377	542,908	-	47,462	416,800
GRAND TOTAL		5,625,536	2,217,327	2,546,225	653,584	208,400	4,828,907	2,217,327	2,498,763	112,817	47,462	749,167